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September 7, 2000

BY HAND

Commissioner Tristani
Federal Communications Commission
445 12th Street, S.W.
Washington, D.C. 20554

Re: *Promotion of Competitive Networks in Local Telecommunications
Markets*, WT Docket No. 99-217 and CC Docket No. 96-98

Dear Commissioner Tristani:

In the interest of providing you with the most complete information available, an October 1999, Charlton Research Company counter-analysis of the September 1999, Charles River Associates analysis is hereby enclosed. The enclosed October 1999, Charlton Research counter-analysis exposes several flaws in the methodology used by Charles River, and suggests that the flawed form of methodology used by Charles River makes the Charles River analysis unreliable.

Representatives of the Smart Buildings Policy Project (SBPP) referred to the September 1999, Charles River analysis during yesterday's debate. The Charles River analysis did not survey original data. Rather, it was an analysis of the August 1999, Charlton Research Company survey commissioned by the Real Access Alliance. The August 1999, Charlton Research survey, surveyed 316 real estate owners, managers, and decision makers on the issue of telecommunications leases and specifically: (1) assessed the level of access granted to competitive telecommunications service providers by real estate owners and managers; (2) gauged the length of time required to negotiate telecommunications leases; and (3) determined the primary motivation for real estate owners and managers to offer telecommunications services

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to tenants. The August 1999, Charlton Research survey was included as Appendix C in the Real Access Alliance comments to the Notice of Proposed Rulemaking.

The Real Access Alliance would like to bring to your attention the fact that the Real Access Alliance has conducted two surveys,¹ while SBPP has submitted unverifiable and usually anonymous anecdotes.

Very truly yours,

Miller & Van Eaton, P.L.L.C.

Urich Weller

By

Nicholas P. Miller

Enclosure

cc: Chairman William Kennard
Commissioner Susan Ness
Commissioner Michael Powell
Commissioner Harold Furchtgott-Roth
Adam Krinsky
Kathryn Brown
Clint Odom
Mark Schneider
Peter Tinhula
Helgi Walker
Jeffrey Steinberg (WTB)

REFERENCES

¹ “August 1999 Charlton Research Survey,” filed by the Real Access Alliance, and “Critical Connections,” filed by the Building Owners and Managers Association, International.

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COMPANY**
www.charltonresearch.com

Memorandum

To: Anna Chason
From: Kevin Schulman
Stephanie Berg
Date: October 20, 1999
Re: Charles River Associates' Economic Analysis

Response Rate Issues

- Determining a sample size by defining it as a percentage of a population is a crude, statistically unsound method and not practiced by the survey research industry or any credible organization which employs sampling theory.
- The size of a sample is determined based on primarily two sophisticated statistical measurements: the Margin of Error and the Confidence Level.
 - These measurements are accepted by nearly all survey researchers, quality control managers, statisticians, even medical researchers.
 - Drawing a sample from a population is as reliable as sampling blood from a human, or tasting soup from a bowl. It is not necessary to draw all of the blood, or consume all of the soup in order to draw conclusions. Only a sample is necessary.
- The sample size of the Real Access Alliance study is 315 respondents, which yields a $\pm 5.5\%$ Margin of Error.
- Conservatively estimating the population of real estate industry professionals with decision-making authority over telecommunications access to be 25,000 cases, a sample of 315 is over one percent, one hundred times greater than the sample to population ratio of highly accurate nationwide polls.
 - Nationwide polls normally consist of 800 respondents, which represents less than one one-hundred-thousandth of one percent of more than 250 million Americans age 18 and older. Therefore, even if the sample to population ratio is considered an important measurement of sample size—which it is not—clearly a sample size equal to five percent of a population is more than adequate.

Charles River Associates Methodological Assumptions

- The assumptions underlying the Charles River Associates' analysis are incorrect.
- The assumption is that the average length of time it take to negotiate an agreement is also the average length of time it takes to begin and end unsuccessful negotiations.
- Question 18 clearly asks "How long would you say it takes to negotiate an agreement with a competitive telecommunications provider?" This question is clearly worded to ask about negotiations that have *ended in an agreement*. This question *does not* ask how long it takes to begin and end negotiations regardless of whether an agreement was reached.
- Charles River Associates misuses the data from this question, nullifying its analysis. Charles River Associates acknowledges assuming this data to also represent the length of time it takes to complete unsuccessful negotiations and initial access denials. There is no basis for this assumption.
- Additionally, the assumption is illogical. Obviously initial denials do not average 4.7 months. Further, the conclusion that failed or unsuccessful negotiations take as long as successful negotiations is also illogical.
 - Once an agreement has been reached to allow access, details concerning physical access must be agreed upon and implemented. A logical assumption is that this extended part of the negotiation procedure does not happen if access has been denied to the provider.
 - Charles River Associates acknowledges the limitations of this assumption.
 - Further, Charles River Associates acknowledges that if the length of time to complete an unsuccessful negotiation is less than the length time to complete a successful negotiation, then the model constructed would yield a higher access rate.
- Finally Charles River Associates concedes the validity of the survey data by including data from other questions to construct its model. Charles River Associates does not justify or explain why it believes some data are reliable and other data require verification. This shows substantial methodological bias in which a model was constructed specifically to provide a pre-determined outcome.